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SENATE BILL

No. 1064

Introduced by Senator Hollingsworth

**(Coauthors: Senators Ackerman, Battin, Ducheny, Harman,
Runner, and Wyland)**

(Coauthors: Assembly Members Anderson, Benoit, DeVore, Gaines,
Garrick, Horton, Jeffries, La Malfa, Plescia, Salas, Strickland, and
Villines)

January 8, 2008

An act to amend Sections 195.120, 195.122, 218, 17207, and 24347.5 of, and to add Sections 195.128, 195.129, 195.130, 195.131, 195.132, 195.133, 195.134, 195.135, 195.136, 195.137, 195.138, 195.139, 195.140, 195.141, ~~and 195.142~~ *195.142, 195.143, 195.144, and 195.145* to, the Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1064, as amended, Hollingsworth. Disaster relief.

(1) Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon the action of the county assessor with the board's approval. With respect to certain counties that have adopted reassessment ordinances and have been declared by the Governor to be in a state of emergency as a result of certain events, existing law provides for state allocations of the estimated amounts of the reductions in property tax revenues resulting in certain fiscal years from reassessments under those ordinances. With respect to the County of El Dorado, which has been declared by the Governor to be in a state of emergency as a result of wildfires that commenced on June 24, 2007, existing law provides for state allocations of the estimated amounts of the reductions in property tax revenues resulting in the 2006–07 fiscal year from reassessment under those ordinances. Existing law also continuously appropriates, without regard to fiscal years, moneys in the Special Fund for Economic Uncertainties for purposes of funding these state allocations.

This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for damages incurred within the Counties of Inyo, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura, which were declared by the Governor to be in a state of emergency due to the wildfires that occurred during the 2007 calendar year, the County of Riverside, which was declared by the Governor to be in a state of emergency due to extremely strong and damaging winds that occurred in October 2007, and the Counties of Butte, Kern, Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz, Shasta, and Trinity, which were declared by the Governor to be in a state of emergency due to the wildfires that occurred in May or June 2008. This bill would, with respect to the County of El Dorado, instead provide for state allocations with respect to property tax revenue reductions from a reassessment for the 2007–08 fiscal year.

This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for damages incurred within the County of Santa Barbara, which was declared by the Governor to be in a state of emergency due to the wildfires that occurred in July 2008.

This bill would also provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for

damages incurred within the County of Inyo, which was declared by the Governor to be in a state of emergency as a result of severe rainstorms that occurred in July 2008.

This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for damages incurred within the County of Humboldt, which was declared by the Governor to be in a state of emergency due to the wildfires that commenced in May 2008.

By requiring moneys continuously appropriated from the Special Fund for Economic Uncertainties to be allocated for the new purpose of reimbursing these counties for these property tax revenue reductions, this bill would make an appropriation.

(2) Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners' property tax exemption in the amount of \$7,000 of the full value of a "dwelling," as defined.

This bill would provide that any dwelling that qualified for the exemption prior to the commencement dates, as listed in the Governor's disaster proclamations during the 2007 calendar year, that was damaged or destroyed by the wildfires in the Counties of Inyo, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura, and that has not changed ownership since the commencement dates, as listed in the Governor's disaster proclamations of 2007, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to wildfires.

This bill would also provide that any dwelling that qualified for the exemption prior to October 20, 2007, that was damaged or destroyed by the extremely strong and damaging winds in the County of Riverside, as declared by the Governor in November 2007, and that has not changed ownership since October 20, 2007, may not be denied an exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to the extremely strong and damaging winds.

This bill would also provide that any dwelling that qualified for the exemption prior to the commencement dates, as listed in the Governor's proclamations in May, June, or July 2008, that was damaged or destroyed by the wildfires in the Counties of Butte, Kern, Mariposa,

Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz, Shasta, and Trinity, and that has not changed ownership since the commencement dates, as listed in the Governor's proclamation in May, June, or July 2008, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to wildfires.

This bill would also provide that any dwelling that qualified for the exemption prior to July 1, 2008, that was damaged or destroyed by the wildfires in the County of Santa Barbara, as declared by the Governor in July 2008, and that has not changed ownership since July 1, 2008, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to wildfires.

This bill would also provide that any dwelling that qualified for the exemption prior to July 12, 2008, that was damaged or destroyed by severe rainstorms, floods, landslides, or the accumulation of debris in a disaster in the County of Inyo, as declared by the Governor in July 2008, and that has not changed ownership since July 12, 2008, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to floods, landslides, the accumulation of debris, or washed-out and damaged roads.

This bill would provide that any dwelling that qualified for the exemption prior to May 22, 2008, that was damaged or destroyed by the wildfires in the County of Humboldt, as declared by the Governor in August 2008, and that has not changed ownership since May 22, 2008, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to wildfires.

The California Constitution requires the Legislature, in each fiscal year, to reimburse local governments for the revenue losses incurred by those governments in that fiscal year as a result of the homeowners' property tax exemption.

This bill would state the intent of the Legislature to make this required reimbursement in the annual Budget Act. By requiring local tax officials

to implement new exemption criteria, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(3) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses sustained as a result of certain disasters occurring in California in an area determined by the President of the United States to warrant specified federal assistance, or proclaimed by the Governor to be in a state of emergency.

This bill would extend these provisions to losses sustained in the Counties of Inyo, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura, proclaimed by the Governor to be in a state of emergency, as a result of the wildfires that occurred during the 2007 calendar year, the County of Riverside as a result of the extremely strong and damaging winds that occurred in October 2007, the Counties of Butte, Kern, Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz, Shasta, and Trinity, proclaimed by the Governor to be in a state of emergency, as a result of the wildfires that occurred in May or June 2008, *in the County of Humboldt as a result of the wildfires that commenced in May 2008*, in the County of Santa Barbara as a result of the wildfires that occurred in July 2008, and in the County of Inyo as a result of severe rainstorms that occurred in July 2008. This bill would authorize a taxpayer to make an election to claim a deduction for those losses on the tax return for the preceding year.

(4) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 195.120 of the Revenue and Taxation
2 Code is amended to read:

1 195.120. (a) By October 31, 2008, the auditor of the County
2 of El Dorado, which was the subject of the Governor's
3 proclamation of a state of emergency for the wildfires that
4 commenced on June 24, 2007, shall certify to the Director of
5 Finance an estimate of the total amount of the reduction in property
6 tax revenues on both the regular secured roll and the supplemental
7 roll for the 2007–08 fiscal year resulting from the reassessment
8 by the county assessor pursuant to paragraph (1) of subdivision
9 (a) of Section 170 of those properties that are eligible properties
10 as a result of that disaster, except that the amount certified shall
11 not include any estimated property tax revenue reductions to school
12 districts, other than basic state aid school districts, and county
13 offices of education.

14 (b) For purposes of this section, "basic state aid school district"
15 means any school district that does not receive a state
16 apportionment pursuant to subdivision (h) of Section 42238 of the
17 Education Code, but receives from the state only a basic
18 apportionment pursuant to Section 6 of Article IX of the California
19 Constitution.

20 SEC. 2. Section 195.122 of the Revenue and Taxation Code
21 is amended to read:

22 195.122. (a) On or before June 30, 2009, the eligible county,
23 as described in Section 195.120, shall compute and remit to the
24 Controller for deposit in the General Fund an amount equal to the
25 amount allocated to it by the Controller pursuant to Section
26 195.121, less the actual amount of its property tax revenue lost on
27 the regular secured and supplemental rolls with respect to those
28 eligible properties described in Section 195.120 as a result of the
29 reassessment of those properties pursuant to paragraph (1) of
30 subdivision (a) of Section 170, excluding any property tax revenue
31 lost by school districts, other than basic state aid school districts,
32 and county offices of education. If the actual amount of property
33 tax revenue lost by the eligible county in the immediately preceding
34 fiscal year, as described and limited in the preceding sentence,
35 exceeds the amount allocated by the Controller to that county
36 pursuant to Section 195.121, the Controller shall allocate the
37 amount of that excess to that eligible county.

38 (b) For purposes of this section, "basic state aid school district"
39 means any school district that does not receive a state
40 apportionment pursuant to subdivision (h) of Section 42238 of the

1 Education Code, but receives from the state only a basic
2 apportionment pursuant to Section 6 of Article IX of the California
3 Constitution.

4 SEC. 3. Section 195.128 is added to the Revenue and Taxation
5 Code, to read:

6 195.128. (a) By October 30, 2008, the auditors of the Counties
7 of Los Angeles, Orange, Riverside, San Bernardino, San Diego,
8 Santa Barbara, and Ventura, which were the subject of the
9 Governor's disaster proclamations of September 15, 2007, and
10 October 21, 2007, shall certify to the Director of Finance an
11 estimate of the total amount of the reduction in property tax
12 revenues on both the regular secured roll and the supplemental
13 roll for the 2008–09 fiscal year resulting from the reassessment
14 by the county assessor pursuant to paragraph (1) of subdivision
15 (a) of Section 170 of those properties that are eligible properties
16 as a result of those disasters, except that the amount certified shall
17 not include any estimated property tax revenue reductions to school
18 districts, other than basic state aid school districts, and county
19 offices of education.

20 (b) For purposes of this section, "basic state aid school district"
21 means any school district that does not receive a state
22 apportionment pursuant to subdivision (h) of Section 42238 of the
23 Education Code, but receives from the state only a basic
24 apportionment pursuant to Section 6 of Article IX of the California
25 Constitution.

26 SEC. 4. Section 195.129 is added to the Revenue and Taxation
27 Code, to read:

28 195.129. After the county auditor of the eligible county, as
29 described in Section 195.128, has made the applicable certification
30 to the Director of Finance pursuant to that section, the director
31 shall within 30 days after verification of the county auditor's
32 estimate, certify this amount to the Controller for allocation to the
33 county. Upon receipt of certification from the Director of Finance,
34 the Controller shall make the appropriate allocation to the county
35 within 10 working days.

36 SEC. 5. Section 195.130 is added to the Revenue and Taxation
37 Code, to read:

38 195.130. (a) On or before June 30, 2009, the eligible county,
39 as described in Section 195.128, shall compute and remit to the
40 Controller for deposit in the General Fund an amount equal to the

1 amount allocated to it by the Controller pursuant to Section
2 195.129, less the actual amount of its property tax revenue lost on
3 the regular secured and supplemental rolls with respect to those
4 eligible properties described in Section 195.128 as a result of the
5 reassessment of those properties pursuant to paragraph (1) of
6 subdivision (a) of Section 170, excluding any property tax revenue
7 lost by school districts, other than basic state aid school districts,
8 and county offices of education. If the actual amount of property
9 tax revenue lost by an eligible county in the immediately preceding
10 fiscal year, as described and limited in the preceding sentence,
11 exceeds the amount allocated by the Controller to that county
12 pursuant to Section 195.129, the Controller shall allocate the
13 amount of that excess to that eligible county.

14 (b) For purposes of this section, “basic state aid school district”
15 means any school district that does not receive a state
16 apportionment pursuant to subdivision (h) of Section 42238 of the
17 Education Code, but receives from the state only a basic
18 apportionment pursuant to Section 6 of Article IX of the California
19 Constitution.

20 SEC. 6. Section 195.131 is added to the Revenue and Taxation
21 Code, to read:

22 195.131. (a) By October 30, 2008, the auditor of the County
23 of Riverside, which was the subject of the Governor’s proclamation
24 of a state of emergency for the extremely strong and damaging
25 winds that commenced on October 20, 2007, shall certify to the
26 Director of Finance an estimate of the total amount of the reduction
27 in property tax revenues on both the regular secured roll and the
28 supplemental roll for the 2008–09 fiscal year resulting from the
29 reassessment by the county assessor pursuant to paragraph (1) of
30 subdivision (a) of Section 170 of those properties that are eligible
31 properties as a result of those disasters, except that the amount
32 certified shall not include any estimated property tax revenue
33 reductions to school districts, other than basic state aid school
34 districts, and county offices of education.

35 (b) For purposes of this section, “basic state aid school district”
36 means any school district that does not receive a state
37 apportionment pursuant to subdivision (h) of Section 42238 of the
38 Education Code, but receives from the state only a basic
39 apportionment pursuant to Section 6 of Article IX of the California
40 Constitution.

1 SEC. 7. Section 195.132 is added to the Revenue and Taxation
2 Code, to read:

3 195.132. After the county auditor of the eligible county, as
4 described in Section 195.131, has made the applicable certification
5 to the Director of Finance pursuant to that section, the director
6 shall within 30 days after verification of the county auditor's
7 estimate, certify this amount to the Controller for allocation to the
8 county. Upon receipt of certification from the Director of Finance,
9 the Controller shall make the appropriate allocation to the county
10 within 10 working days.

11 SEC. 8. Section 195.133 is added to the Revenue and Taxation
12 Code, to read:

13 195.133. (a) On or before June 30, 2009, the eligible county,
14 as described in Section 195.131, shall compute and remit to the
15 Controller for deposit in the General Fund an amount equal to the
16 amount allocated to it by the Controller pursuant to Section
17 195.132, less the actual amount of its property tax revenue lost on
18 the regular secured and supplemental rolls with respect to those
19 eligible properties described in Section 195.131 as a result of the
20 reassessment of those properties pursuant to paragraph (1) of
21 subdivision (a) of Section 170, excluding any property tax revenue
22 lost by school districts, other than basic state aid school districts,
23 and county offices of education. If the actual amount of property
24 tax revenue lost by an eligible county in the immediately preceding
25 fiscal year, as described and limited in the preceding sentence,
26 exceeds the amount allocated by the Controller to that county
27 pursuant to Section 195.132, the Controller shall allocate the
28 amount of that excess to that eligible county.

29 (b) For purposes of this section, "basic state aid school district"
30 means any school district that does not receive a state
31 apportionment pursuant to subdivision (h) of Section 42238 of the
32 Education Code, but receives from the state only a basic
33 apportionment pursuant to Section 6 of Article IX of the California
34 Constitution.

35 SEC. 9. Section 195.134 is added to the Revenue and Taxation
36 Code, to read:

37 195.134. (a) By September 30, 2009, the auditors of the
38 Counties of Butte, Kern, Mariposa, Mendocino, Monterey, Plumas,
39 Santa Clara, Santa Cruz, Shasta, and Trinity, which were the
40 subject of the Governor's proclamations of a state of emergency

1 for the wildfires that occurred during May or June 2008, shall
2 certify to the Director of Finance an estimate of the total amount
3 of the reduction in property tax revenues on both the regular
4 secured roll and the supplemental roll for the 2008–09 fiscal year
5 resulting from the reassessment by the county assessor pursuant
6 to paragraph (1) of subdivision (a) of Section 170 of those
7 properties that are eligible properties as a result of those disasters,
8 except that the amount certified shall not include any estimated
9 property tax revenue reductions to school districts, other than basic
10 state aid school districts, and county offices of education.

11 (b) For purposes of this section, “basic state aid school district”
12 means any school district that does not receive a state
13 apportionment pursuant to subdivision (h) of Section 42238 of the
14 Education Code, but receives from the state only a basic
15 apportionment pursuant to Section 6 of Article IX of the California
16 Constitution.

17 SEC. 10. Section 195.135 is added to the Revenue and Taxation
18 Code, to read:

19 195.135. After the county auditor of the eligible county, as
20 described in Section 195.134, has made the applicable certification
21 to the Director of Finance pursuant to that section, the director
22 shall within 30 days after verification of the county auditor’s
23 estimate, certify this amount to the Controller for allocation to the
24 county. Upon receipt of certification from the Director of Finance,
25 the Controller shall make the appropriate allocation to the county
26 within 10 working days.

27 SEC. 11. Section 195.136 is added to the Revenue and Taxation
28 Code, to read:

29 195.136. (a) On or before June 30, 2010, the eligible county,
30 as described in Section 195.134, shall compute and remit to the
31 Controller for deposit in the General Fund an amount equal to the
32 amount allocated to it by the Controller pursuant to Section
33 195.135, less the actual amount of its property tax revenue lost on
34 the regular secured and supplemental rolls with respect to those
35 eligible properties described in Section 195.134 as a result of the
36 reassessment of those properties pursuant to paragraph (1) of
37 subdivision (a) of Section 170, excluding any property tax revenue
38 lost by school districts, other than basic state aid school districts,
39 and county offices of education. If the actual amount of property
40 tax revenue lost by an eligible county in the immediately preceding

1 fiscal year, as described and limited in the preceding sentence,
2 exceeds the amount allocated by the Controller to that county
3 pursuant to Section 195.135, the Controller shall allocate the
4 amount of that excess to that eligible county.

5 (b) For purposes of this section, “basic state aid school district”
6 means any school district that does not receive a state
7 apportionment pursuant to subdivision (h) of Section 42238 of the
8 Education Code, but receives from the state only a basic
9 apportionment pursuant to Section 6 of Article IX of the California
10 Constitution.

11 SEC. 12. Section 195.137 is added to the Revenue and Taxation
12 Code, to read:

13 195.137. (a) By September 30, 2009, the auditor of the County
14 of Santa Barbara, which was the subject of the Governor’s
15 proclamation of a state of emergency for wildfires that commenced
16 on July 1, 2008, shall certify to the Director of Finance an estimate
17 of the total amount of the reduction in property tax revenues on
18 both the regular secured roll and the supplemental roll for the
19 2008–09 fiscal year resulting from the reassessment by the county
20 assessor pursuant to paragraph (1) of subdivision (a) of Section
21 170 of those properties that are eligible properties as a result of
22 those disasters, except that the amount certified shall not include
23 any estimated property tax revenue reductions to school districts,
24 other than basic state aid school districts, and county offices of
25 education.

26 (b) For purposes of this section, “basic state aid school district”
27 means any school district that does not receive a state
28 apportionment pursuant to subdivision (h) of Section 42238 of the
29 Education Code, but receives from the state only a basic
30 apportionment pursuant to Section 6 of Article IX of the California
31 Constitution.

32 SEC. 13. Section 195.138 is added to the Revenue and Taxation
33 Code, to read:

34 195.138. After the county auditor of the eligible county, as
35 described in Section 195.137, has made the applicable certification
36 to the Director of Finance pursuant to that section, the director
37 shall within 30 days after verification of the county auditor’s
38 estimate, certify this amount to the Controller for allocation to the
39 county. Upon receipt of certification from the Director of Finance,

1 the Controller shall make the appropriate allocation to the county
2 within 10 working days.

3 SEC. 14. Section 195.139 is added to the Revenue and Taxation
4 Code, to read:

5 195.139. (a) On or before June 30, 2010, an eligible county,
6 as described in Section 195.137, shall compute and remit to the
7 Controller for deposit in the General Fund an amount equal to the
8 amount allocated to it by the Controller pursuant to Section
9 195.138, less the actual amount of its property tax revenue lost on
10 the regular secured and supplemental rolls with respect to those
11 eligible properties described in Section 195.137 as a result of the
12 reassessment of those properties pursuant to paragraph (1) of
13 subdivision (a) of Section 170, excluding any property tax revenue
14 lost by school districts, other than basic state aid school districts,
15 and county offices of education. If the actual amount of property
16 tax revenue lost by an eligible county in the immediately preceding
17 fiscal year, as described and limited in the preceding sentence,
18 exceeds the amount allocated by the Controller to that county
19 pursuant to Section 195.138, the Controller shall allocate the
20 amount of that excess to that eligible county.

21 (b) For purposes of this section, “basic state aid school district”
22 means any school district that does not receive a state
23 apportionment pursuant to subdivision (h) of Section 42238 of the
24 Education Code, but receives from the state only a basic
25 apportionment pursuant to Section 6 of Article IX of the California
26 Constitution.

27 SEC. 15. Section 195.140 is added to the Revenue and Taxation
28 Code, to read:

29 195.140. (a) By September 30, 2009, the auditor of the County
30 of Inyo, which was the subject of the Governor’s proclamations
31 of a state of emergency for wildfires that commenced on July 6,
32 2007, and the severe rainstorms that commenced on July 12, 2008,
33 and caused flash floods, landslides, the accumulation of debris,
34 and that washed-out and damaged roads in that county, shall certify
35 to the Director of Finance an estimate of the total amount of the
36 reduction in property tax revenues on both the regular secured roll
37 and the supplemental roll for the 2008–09 fiscal year resulting
38 from the reassessment by the county assessor pursuant to paragraph
39 (1) of subdivision (a) of Section 170 of those properties that are
40 eligible properties as a result of that disaster, except that the amount

1 certified shall not include any estimated property tax revenue
2 reductions to school districts, other than basic state aid school
3 districts, and county offices of education.

4 (b) For purposes of this section, “basic state aid school district”
5 means any school district that does not receive a state
6 apportionment pursuant to subdivision (h) of Section 42238 of the
7 Education Code, but receives from the state only a basic
8 apportionment pursuant to Section 6 of Article IX of the California
9 Constitution.

10 SEC. 16. Section 195.141 is added to the Revenue and Taxation
11 Code, to read:

12 195.141. After the county auditor of an eligible county, as
13 described in Section 195.140, has made the applicable certification
14 to the Director of Finance pursuant to that section, the director
15 shall, within 30 days after verification of the county auditor’s
16 estimate, certify this amount to the Controller for allocation to the
17 county. Upon receipt of certification from the Director of Finance,
18 the Controller shall make the appropriate allocation to the county
19 within 10 working days.

20 SEC. 17. Section 195.142 is added to the Revenue and Taxation
21 Code, to read:

22 195.142. (a) On or before June 30, 2010, each eligible county,
23 as described in Section 195.140, shall compute and remit to the
24 Controller for deposit in the General Fund an amount equal to the
25 amount allocated to it by the Controller pursuant to Section
26 195.141, less the actual amount of its property tax revenue lost on
27 the regular secured and supplemental rolls with respect to those
28 eligible properties described in Section 195.140 as a result of the
29 reassessment of those properties pursuant to paragraph (1) of
30 subdivision (a) of Section 170, excluding any property tax revenue
31 lost by school districts, other than basic state aid school districts,
32 and county offices of education. If the actual amount of property
33 tax revenue lost by an eligible county in the immediately preceding
34 fiscal year, as described and limited in the preceding sentence,
35 exceeds the amount allocated by the Controller to that county
36 pursuant to Section 195.141, the Controller shall allocate the
37 amount of that excess to that eligible county.

38 (b) For purposes of this section, “basic state aid school district”
39 means any school district that does not receive a state
40 apportionment pursuant to subdivision (h) of Section 42238 of the

1 Education Code, but receives from the state only a basic
2 apportionment pursuant to Section 6 of Article IX of the California
3 Constitution.

4 *SEC. 18. Section 195.143 is added to the Revenue and Taxation*
5 *Code, to read:*

6 *195.143. (a) By September 30, 2009, the auditor of the County*
7 *of Humboldt, which was the subject of the Governor's proclamation*
8 *of a state of emergency for wildfires that commenced on May 22,*
9 *2008, shall certify to the Director of Finance an estimate of the*
10 *total amount of the reduction in property tax revenues on both the*
11 *regular secured roll and the supplemental roll for the 2008–09*
12 *fiscal year resulting from the reassessment by the county assessor*
13 *pursuant to paragraph (1) of subdivision (a) of Section 170 of*
14 *those properties that are eligible properties as a result of those*
15 *disasters, except that the amount certified shall not include any*
16 *estimated property tax revenue reductions to school districts, other*
17 *than basic state aid school districts, and county offices of*
18 *education.*

19 *(b) For purposes of this section, "basic state aid school district"*
20 *means any school district that does not receive a state*
21 *apportionment pursuant to subdivision (h) of Section 42238 of the*
22 *Education Code, but receives from the state only a basic*
23 *apportionment pursuant to Section 6 of Article IX of the California*
24 *Constitution.*

25 *SEC. 19. Section 195.144 is added to the Revenue and Taxation*
26 *Code, to read:*

27 *195.144. After the county auditor of the eligible county, as*
28 *described in Section 195.143, has made the applicable certification*
29 *to the Director of Finance pursuant to that section, the director*
30 *shall within 30 days after verification of the county auditor's*
31 *estimate, certify this amount to the Controller for allocation to the*
32 *county. Upon receipt of certification from the Director of Finance,*
33 *the Controller shall make the appropriate allocation to the county*
34 *within 10 working days.*

35 *SEC. 20. Section 195.145 is added to the Revenue and Taxation*
36 *Code, to read:*

37 *195.145. (a) On or before June 30, 2010, an eligible county,*
38 *as described in Section 195.143, shall compute and remit to the*
39 *Controller for deposit in the General Fund an amount equal to*
40 *the amount allocated to it by the Controller pursuant to Section*

1 195.144, less the actual amount of its property tax revenue lost on
2 the regular secured and supplemental rolls with respect to those
3 eligible properties described in Section 195.143 as a result of the
4 reassessment of those properties pursuant to paragraph (1) of
5 subdivision (a) of Section 170, excluding any property tax revenue
6 lost by school districts, other than basic state aid school districts,
7 and county offices of education. If the actual amount of property
8 tax revenue lost by an eligible county in the immediately preceding
9 fiscal year, as described and limited in the preceding sentence,
10 exceeds the amount allocated by the Controller to that county
11 pursuant to Section 195.144, the Controller shall allocate the
12 amount of that excess to that eligible county.

13 (b) For purposes of this section, “basic state aid school district”
14 means any school district that does not receive a state
15 apportionment pursuant to subdivision (h) of Section 42238 of the
16 Education Code, but receives from the state only a basic
17 apportionment pursuant to Section 6 of Article IX of the California
18 Constitution.

19 ~~SEC. 18.~~

20 SEC. 21. Section 218 of the Revenue and Taxation Code is
21 amended to read:

22 218. (a) The homeowners’ property tax exemption is in the
23 amount of the assessed value of the dwelling specified in this
24 section, as authorized by subdivision (k) of Section 3 of Article
25 XIII of the Constitution. That exemption shall be in the amount
26 of seven thousand dollars (\$7,000) of the full value of the dwelling.

27 (b) The exemption does not extend to property that is rented,
28 vacant, under construction on the lien date, or that is a vacation or
29 secondary home of the owner or owners, nor does it apply to
30 property on which an owner receives the veteran’s exemption.

31 (c) For purposes of this section, all of the following apply:

32 (1) “Owner” includes a person purchasing the dwelling under
33 a contract of sale or who holds shares or membership in a
34 cooperative housing corporation, which holding is a requisite to
35 the exclusive right of occupancy of a dwelling.

36 (2) (A) “Dwelling” means a building, structure, or other shelter
37 constituting a place of abode, whether real property or personal
38 property, and any land on which it may be situated. A two-dwelling
39 unit shall be considered as two separate single-family dwellings.

40 (B) “Dwelling” includes the following:

1 (i) A single-family dwelling occupied by an owner thereof as
2 his or her principal place of residence on the lien date.

3 (ii) A multiple-dwelling unit occupied by an owner thereof on
4 the lien date as his or her principal place of residence.

5 (iii) A condominium occupied by an owner thereof as his or her
6 principal place of residence on the lien date.

7 (iv) Premises occupied by the owner of shares or a membership
8 interest in a cooperative housing corporation, as defined in
9 subdivision (i) of Section 61, as his or her principal place of
10 residence on the lien date. Each exemption allowed pursuant to
11 this subdivision shall be deducted from the total assessed valuation
12 of the cooperative housing corporation. The exemption shall be
13 taken into account in apportioning property taxes among owners
14 of share or membership interests in the cooperative housing
15 corporations so as to benefit those owners who qualify for the
16 exemption.

17 (d) Any dwelling that qualified for an exemption under this
18 section prior to October 20, 1991, that was damaged or destroyed
19 by fire in a disaster, as declared by the Governor, occurring on or
20 after October 20, 1991, and before November 1, 1991, and that
21 has not changed ownership since October 20, 1991, shall not be
22 disqualified as a “dwelling” or be denied an exemption under this
23 section solely on the basis that the dwelling was temporarily
24 damaged or destroyed or was being reconstructed by the owner.

25 (e) Any dwelling that qualified for an exemption under this
26 section prior to October 15, 2003, that was damaged or destroyed
27 by fire or earthquake in a disaster, as declared by the Governor,
28 during October, November, or December 2003, and that has not
29 changed ownership since October 15, 2003, shall not be
30 disqualified as a “dwelling” or be denied an exemption under this
31 section solely on the basis that the dwelling was temporarily
32 damaged or destroyed or was being reconstructed by the owner.

33 (f) Any dwelling that qualified for an exemption under this
34 section prior to June 3, 2004, that was damaged or destroyed by
35 flood in a disaster, as declared by the Governor, during June 2004,
36 and that has not changed ownership since June 3, 2004, shall not
37 be disqualified as a “dwelling” or be denied an exemption under
38 this section solely on the basis that the dwelling was temporarily
39 damaged or destroyed or was being reconstructed by the owner.

1 (g) Any dwelling that qualified for an exemption under this
2 section prior to August 11, 2004, that was damaged or destroyed
3 by the wildfires and any other related casualty that occurred in
4 Shasta County in a disaster, as declared by the Governor, during
5 August 2004, and that has not changed ownership since August
6 11, 2004, shall not be disqualified as a “dwelling” or be denied an
7 exemption under this section solely on the basis that the dwelling
8 was temporarily damaged or destroyed or was being reconstructed
9 by the owner.

10 (h) Any dwelling that qualified for an exemption under this
11 section prior to December 28, 2004, that was damaged or destroyed
12 by severe rainstorms, floods, mudslides, or the accumulation of
13 debris in a disaster, as declared by the Governor, during December
14 2004, January 2005, February 2005, March 2005, or June 2005,
15 and that has not changed ownership since December 28, 2004,
16 shall not be disqualified as a “dwelling” or be denied an exemption
17 under this section solely on the basis that the dwelling was
18 temporarily damaged or destroyed or was being reconstructed by
19 the owner, or was temporarily uninhabited as a result of restricted
20 access to the property due to floods, mudslides, the accumulation
21 of debris, or washed-out or damaged roads.

22 (i) Any dwelling that qualified for an exemption under this
23 section prior to December 19, 2005, that was damaged or destroyed
24 by severe rainstorms, floods, mudslides, or the accumulation of
25 debris in a disaster, as declared by the Governor in January 2006,
26 April 2006, May 2006, or June 2006, and that has not changed
27 ownership since December 19, 2005, shall not be disqualified as
28 a “dwelling” or be denied an exemption under this section solely
29 on the basis that the dwelling was temporarily damaged or
30 destroyed or was being reconstructed by the owner, or was
31 temporarily uninhabited as a result of restricted access to the
32 property due to floods, mudslides, the accumulation of debris, or
33 washed-out or damaged roads.

34 (j) Any dwelling that qualified for an exemption under this
35 section prior to July 9, 2006, that was damaged or destroyed by
36 the wildfires and any other related casualty that occurred in the
37 County of San Bernardino, as declared by the Governor in July
38 2006, and that has not changed ownership since July 9, 2006, shall
39 not be disqualified as a “dwelling” or be denied an exemption
40 under this section solely on the basis that the dwelling was

1 temporarily damaged or destroyed or was being reconstructed by
2 the owner, or was temporarily uninhabited as a result of restricted
3 access to the property due to the wildfires.

4 (k) Any dwelling that qualified for an exemption under this
5 section prior to the commencement dates of the wildfires listed in
6 the Governor's proclamations of 2006 that was damaged or
7 destroyed by the wildfires and any other related casualty that
8 occurred in the Counties of Riverside and Ventura, and that has
9 not changed ownership since the commencement dates of these
10 disasters as listed in the Governor's proclamations of 2006 shall
11 not be disqualified as a "dwelling" or be denied an exemption
12 under this section solely on the basis that the dwelling was
13 temporarily damaged or destroyed or was being reconstructed by
14 the owner, or was temporarily uninhabited as a result of restricted
15 access to the property due to the wildfires.

16 (l) Any dwelling that qualified for an exemption under this
17 section prior to January 11, 2007, that was damaged or destroyed
18 by severe freezing conditions, commencing January 11, 2007, and
19 any other related casualty that occurred in the Counties of El
20 Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey,
21 Riverside, San Bernardino, San Diego, San Luis Obispo, Santa
22 Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a
23 result of a disaster as declared by the Governor, and that has not
24 changed ownership since January 11, 2007, shall not be disqualified
25 as a "dwelling" or be denied an exemption under this section solely
26 on the basis that the dwelling was temporarily damaged or
27 destroyed or was being reconstructed by the owner, or was
28 temporarily uninhabited as a result of restricted access to the
29 property due to severe freezing conditions.

30 (m) Any dwelling that qualified for an exemption under this
31 section prior to June 24, 2007, that was damaged or destroyed by
32 the wildfires and any other related casualty that occurred as a result
33 of this disaster in the County of El Dorado, as declared by the
34 Governor in June 2007, and that has not changed ownership since
35 June 24, 2007, shall not be disqualified as a "dwelling" or be denied
36 an exemption under this section solely on the basis that the
37 dwelling was temporarily damaged or destroyed or was being
38 reconstructed by the owner, or was temporarily uninhabited as a
39 result of restricted access to the property due to the wildfires.

1 (n) Any dwelling that qualified for an exemption under this
2 section prior to July 4, 2007, that was damaged or destroyed by
3 the Zaca Fire and any other related casualty that occurred as a
4 result of this disaster in the Counties of Santa Barbara and Ventura,
5 as declared by the Governor in August 2007, and that has not
6 changed ownership since July 4, 2007, may not be denied an
7 exemption solely on the basis that the dwelling was temporarily
8 damaged or destroyed or was being reconstructed by the owner,
9 or was temporarily uninhabited as a result of restricted access to
10 the property due to the Zaca Fire.

11 (o) Any dwelling that qualified for an exemption under this
12 section prior to July 6, 2007, that was damaged or destroyed by
13 the wildfires and any other related casualty that occurred as a result
14 of this disaster in the County of Inyo, as declared by the Governor
15 in July 2007, and that has not changed ownership since July 6,
16 2007, may not be denied an exemption solely on the basis that the
17 dwelling was temporarily damaged or destroyed or was being
18 reconstructed by the owner, or was temporarily uninhabited as a
19 result of restricted access to the property due to the wildfires.

20 (p) Any dwelling that qualified for an exemption under this
21 section prior to the commencement dates of the wildfires listed in
22 the Governor's disaster proclamations of September 15, 2007, and
23 October 21, 2007, that was damaged or destroyed by the wildfires
24 and any other related casualty that occurred in the Counties of Los
25 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa
26 Barbara, and Ventura, and that has not changed ownership since
27 the commencement dates of these disasters as listed in the
28 proclamations shall not be disqualified as a "dwelling" or be denied
29 an exemption under this section solely on the basis that the
30 dwelling was temporarily damaged or destroyed or was being
31 reconstructed by the owner, or was temporarily uninhabited as a
32 result of restricted access to the property due to the wildfires.

33 (q) Any dwelling that qualified for an exemption under this
34 section prior to October 20, 2007, that was damaged or destroyed
35 by the extremely strong and damaging winds and any other related
36 casualty that occurred as a result of this disaster in the County of
37 Riverside, as declared by the Governor in November 2007, and
38 that has not changed ownership since October 20, 2007, shall not
39 be disqualified as a "dwelling" or be denied an exemption under
40 this section solely on the basis that the dwelling was temporarily

1 damaged or destroyed or was being reconstructed by the owner,
2 or was temporarily uninhabited as a result of restricted access to
3 the property due to the extremely strong and damaging winds.

4 (r) Any dwelling that qualified for an exemption under this
5 section prior to the commencement dates of the wildfires listed in
6 the Governor's disaster proclamations of May, June, or July 2008,
7 that was damaged or destroyed by the wildfires and any other
8 related casualty that occurred in the Counties of Butte, Kern,
9 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
10 Shasta, and Trinity and that has not changed ownership since the
11 commencement dates of these disasters as listed in the
12 proclamations shall not be disqualified as a "dwelling" or be denied
13 an exemption under this section solely on the basis that the
14 dwelling was temporarily damaged or destroyed or was being
15 reconstructed by the owner, or was temporarily uninhabited as a
16 result of restricted access to the property due to the wildfires.

17 (s) Any dwelling that qualified for an exemption under this
18 section prior to July 1, 2008, that was damaged or destroyed by
19 the wildfires and any other related casualty that occurred as a result
20 of this disaster in the County of Santa Barbara, as declared by the
21 Governor in July 2008, and that has not changed ownership since
22 July 1, 2008, may not be denied an exemption solely on the basis
23 that the dwelling was temporarily damaged or destroyed or was
24 being reconstructed by the owner, or was temporarily uninhabited
25 as a result of restricted access to the property due to the wildfires.

26 (t) Any dwelling that qualified for an exemption under this
27 section prior to July 12, 2008, that was damaged or destroyed by
28 severe rainstorms, floods, landslides, or the accumulation of debris
29 in a disaster, as declared by the Governor, in July 2008, and that
30 has not changed ownership since July 12, 2008, shall not be
31 disqualified as a "dwelling" or be denied an exemption under this
32 section solely on the basis that the dwelling was temporarily
33 damaged or destroyed or was being reconstructed by the owner,
34 or was temporarily uninhabited as a result of restricted access to
35 the property due to floods, landslides, the accumulation of debris,
36 or washed-out or damaged roads.

37 (u) *Any dwelling that qualified for an exemption under this*
38 *section prior to May 22, 2008, that was damaged or destroyed by*
39 *the wildfires and any other related casualty that occurred as a*
40 *result of this disaster in the County of Humboldt, as declared by*

1 *the Governor in August 2008, and that has not changed ownership*
2 *since May 22, 2008, may not be denied an exemption solely on the*
3 *basis that the dwelling was temporarily damaged or destroyed or*
4 *was being reconstructed by the owner, or was temporarily*
5 *uninhabited as a result of restricted access to the property due to*
6 *the wildfires.*

7 ~~(u)~~

8 (v) The exemption provided for in subdivision (k) of Section 3
9 of Article XIII of the Constitution shall first be applied to the
10 building, structure, or other shelter and the excess, if any, shall be
11 applied to any land on which it may be located.

12 ~~SEC. 19.~~

13 SEC. 22. Section 17207 of the Revenue and Taxation Code is
14 amended to read:

15 17207. (a) An excess disaster loss, as defined in subdivision
16 (c), shall be carried to other taxable years as provided in
17 subdivision (b), with respect to losses resulting from any of the
18 following disasters:

19 (1) Forest fire or any other related casualty occurring in 1985
20 in California.

21 (2) Storm, flooding, or any other related casualty occurring in
22 1986 in California.

23 (3) Any loss sustained during 1987 as a result of a forest fire or
24 any other related casualty.

25 (4) Earthquake, aftershock, or any other related casualty
26 occurring in 1987 in California.

27 (5) Earthquake, aftershock, or any other related casualty
28 occurring in 1989 in California.

29 (6) Any loss sustained during 1990 as a result of fire or any
30 other related casualty in California.

31 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
32 of 1991, or any other related casualty.

33 (8) Any loss sustained as a result of storm, flooding, or any
34 other related casualty occurring in February 1992 in California.

35 (9) Earthquake, aftershock, or any other related casualty
36 occurring in April 1992 in the County of Humboldt.

37 (10) Riots, arson, or any other related casualty occurring in
38 April or May 1992 in California.

1 (11) Any loss sustained as a result of the earthquakes that
2 occurred in the County of San Bernardino in June and July of 1992,
3 or any other related casualty.

4 (12) Any loss sustained as a result of the Fountain Fire that
5 occurred in the County of Shasta, or as a result of either of the
6 fires in the Counties of Calaveras and Trinity that occurred in
7 August 1992, or any other related casualty.

8 (13) Any loss sustained as a result of storm, flooding, or any
9 other related casualty that occurred in the Counties of Alpine,
10 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
11 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
12 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
13 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
14 Fillmore in January 1993.

15 (14) Any loss sustained as a result of a fire that occurred in the
16 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
17 Diego, and Ventura, during October or November of 1993, or any
18 other related casualty.

19 (15) Any loss sustained as a result of the earthquake, aftershocks,
20 or any other related casualty that occurred in the Counties of Los
21 Angeles, Orange, and Ventura on or after January 17, 1994.

22 (16) Any loss sustained as a result of a fire that occurred in the
23 County of San Luis Obispo during August of 1994, or any other
24 related casualty.

25 (17) Any loss sustained as a result of the storms or flooding
26 occurring in 1995, or any other related casualty, sustained in any
27 county of this state subject to a disaster declaration with respect
28 to the storms and flooding.

29 (18) Any loss sustained as a result of the storms or flooding
30 occurring in December 1996 or January 1997, or any related
31 casualty, sustained in any county of this state subject to a disaster
32 declaration with respect to the storms or flooding.

33 (19) Any loss sustained as a result of the storms or flooding
34 occurring in February 1998, or any related casualty, sustained in
35 any county of this state subject to a disaster declaration with respect
36 to the storms or flooding.

37 (20) Any loss sustained as a result of a freeze occurring in the
38 winter of 1998–99, or any related casualty, sustained in any county
39 of this state subject to a disaster declaration with respect to the
40 freeze.

1 (21) Any loss sustained as a result of an earthquake occurring
2 in September 2000, that was included in the Governor's
3 proclamation of a state of emergency for the County of Napa.

4 (22) Any loss sustained as a result of the Middle River levee
5 break in San Joaquin County occurring in June 2004.

6 (23) Any losses sustained as a result of the fires that occurred
7 in the Counties of Los Angeles, Riverside, San Bernardino, San
8 Diego, and Ventura in October and November 2003, or as a result
9 of floods, mudflows, and debris flows, directly related to fires.

10 (24) Any losses sustained in the Counties of Santa Barbara and
11 San Luis Obispo as a result of the San Simeon earthquake,
12 aftershocks, and any other related casualties.

13 (25) Any losses sustained as a result of the wildfires that
14 occurred in Shasta County, commencing August 11, 2004, and
15 any other related casualty.

16 (26) Any loss sustained in the Counties of Kern, Los Angeles,
17 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
18 and Ventura as a result of the severe rainstorms, related flooding
19 and slides, and any other related casualties, that occurred in
20 December 2004, January 2005, February 2005, March 2005, or
21 June 2005.

22 (27) Any loss sustained in the Counties of Alameda, Alpine,
23 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
24 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
25 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
26 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
27 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
28 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
29 the severe rainstorms, related flooding and slides, and any other
30 related casualties, that occurred in December 2005, January 2006,
31 March 2006, or April 2006.

32 (28) Any loss sustained in the County of San Bernardino as a
33 result of the wildfires that occurred in July 2006.

34 (29) Any loss sustained in the Counties of Riverside and Ventura
35 as a result of wildfires that occurred during the 2006 calendar year.

36 (30) Any loss sustained in the Counties of El Dorado, Fresno,
37 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San
38 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa
39 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject

1 of the Governor's proclamations of a state of emergency for the
2 severe freezing conditions that occurred in January 2007.

3 (31) Any loss sustained in the County of El Dorado as a result
4 of wildfires that occurred in June 2007.

5 (32) Any loss sustained in the Counties of Santa Barbara and
6 Ventura as a result of the Zaca Fire that occurred during the 2007
7 calendar year.

8 (33) Any loss sustained in the County of Inyo as a result of
9 wildfires that commenced in July 2007.

10 (34) Any loss sustained in the Counties of Los Angeles, Orange,
11 Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura
12 as a result of wildfires that occurred during the 2007 calendar year
13 that were the subject of the Governor's disaster proclamations of
14 September 15, 2007, and October 21, 2007.

15 (35) Any loss sustained in the County of Riverside as a result
16 of extremely strong and damaging winds that occurred in October
17 2007.

18 (36) Any loss sustained in the Counties of Butte, Kern,
19 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
20 Shasta, and Trinity as a result of wildfires that occurred in May or
21 June 2008 that were the subject of the Governor's proclamations
22 of a state of emergency.

23 (37) Any loss sustained in the County of Santa Barbara as a
24 result of wildfires that occurred in July 2008.

25 (38) Any loss sustained in the County of Inyo as a result of the
26 severe rainstorms, related flooding and landslides, and any other
27 related casualties, that occurred in July 2008.

28 (39) *Any loss sustained in the County of Humboldt as a result*
29 *of wildfires that commenced in May 2008.*

30 (b) (1) In the case of any loss allowed under Section 165(c) of
31 the Internal Revenue Code, relating to limitation of losses of
32 individuals, any excess disaster loss shall be carried forward to
33 each of the five taxable years following the taxable year for which
34 the loss is claimed. However, if there is any excess disaster loss
35 remaining after the five-year period, then the applicable percentage,
36 as set forth in paragraph (1) of subdivision (b) of Section 17276,
37 of that excess disaster loss shall be carried forward to each of the
38 next 10 taxable years.

39 (2) The entire amount of any excess disaster loss as defined in
40 subdivision (c) shall be carried to the earliest of the taxable years

1 to which, by reason of subdivision (b), the loss may be carried.
2 The portion of the loss which shall be carried to each of the other
3 taxable years shall be the excess, if any, of the amount of excess
4 disaster loss over the sum of the adjusted taxable income for each
5 of the prior taxable years to which that excess disaster loss is
6 carried.

7 (c) "Excess disaster loss" means a disaster loss computed
8 pursuant to Section 165 of the Internal Revenue Code which
9 exceeds the adjusted taxable income of the year of loss or, if the
10 election under Section 165(i) of the Internal Revenue Code is
11 made, the adjusted taxable income of the year preceding the loss.

12 (d) The provisions of this section and Section 165(i) of the
13 Internal Revenue Code shall be applicable to any of the losses
14 listed in subdivision (a) sustained in any county or city in this state
15 which was proclaimed by the Governor to be in a state of disaster.

16 (e) Losses allowable under this section may not be taken into
17 account in computing a net operating loss deduction under Section
18 172 of the Internal Revenue Code.

19 (f) For purposes of this section, "adjusted taxable income" shall
20 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

21 (g) For losses described in paragraphs (15) to ~~(38)~~ (39),
22 inclusive, of subdivision (a), the election under Section 165(i) of
23 the Internal Revenue Code may be made on a return or amended
24 return filed on or before the due date of the return (determined
25 with regard to extension) for the taxable year in which the disaster
26 occurred.

27 ~~SEC. 20.~~

28 *SEC. 23.* Section 24347.5 of the Revenue and Taxation Code
29 is amended to read:

30 24347.5. (a) An excess disaster loss, as defined in subdivision
31 (c), shall be carried to other taxable years as provided in
32 subdivision (b), with respect to losses resulting from any of the
33 following disasters:

34 (1) Forest fire or any other related casualty occurring in 1985
35 in California.

36 (2) Storm, flooding, or any other related casualty occurring in
37 1986 in California.

38 (3) Any loss sustained during 1987 as a result of a forest fire or
39 any other related casualty.

- 1 (4) Earthquake, aftershock, or any other related casualty
2 occurring in October 1987 in California.
- 3 (5) Earthquake, aftershock, or any other related casualty
4 occurring in October 1989 in California.
- 5 (6) Any loss sustained during 1990 as a result of fire or any
6 other related casualty in California.
- 7 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
8 of 1991, or any other related casualty.
- 9 (8) Any loss sustained as a result of storm, flooding, or any
10 other related casualty occurring in February 1992 in California.
- 11 (9) Earthquake, aftershock, or any other related casualty
12 occurring in April 1992 in the County of Humboldt.
- 13 (10) Riots, arson, or any other related casualty occurring in
14 April or May 1992 in California.
- 15 (11) Any loss sustained as a result of the earthquakes or any
16 other related casualty that occurred in the County of San
17 Bernardino in June and July of 1992.
- 18 (12) Any loss sustained as a result of the Fountain Fire that
19 occurred in the County of Shasta, or as a result of either of the
20 fires in the Counties of Calaveras and Trinity that occurred in
21 August 1992, or any other related casualty.
- 22 (13) Any loss sustained as a result of storm, flooding, or any
23 other related casualty that occurred in the Counties of Alpine,
24 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
25 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
26 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
27 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
28 Fillmore in January 1993.
- 29 (14) Any loss sustained as a result of a fire that occurred in the
30 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
31 Diego, and Ventura, during October or November of 1993, or any
32 other related casualty.
- 33 (15) Any loss sustained as a result of the earthquake, aftershocks,
34 or any other related casualty that occurred in the Counties of Los
35 Angeles, Orange, and Ventura on or after January 17, 1994.
- 36 (16) Any loss sustained as a result of a fire that occurred in the
37 County of San Luis Obispo during August of 1994, or any other
38 related casualty.
- 39 (17) Any loss sustained as a result of the storms or flooding
40 occurring in 1995, or any other related casualty, sustained in any

1 county of this state subject to a disaster declaration with respect
2 to the storms and flooding.

3 (18) Any loss sustained as a result of the storms or flooding
4 occurring in December 1996 or January 1997, or any related
5 casualty, sustained in any county of this state subject to a disaster
6 declaration with respect to the storms or flooding.

7 (19) Any loss sustained as a result of the storms or flooding
8 occurring in February 1998, or any related casualty, sustained in
9 any county of this state subject to a disaster declaration with respect
10 to the storms or flooding.

11 (20) Any loss sustained as a result of a freeze occurring in the
12 winter of 1998–99, or any related casualty, sustained in any county
13 of this state subject to a disaster declaration with respect to the
14 freeze.

15 (21) Any loss sustained as a result of an earthquake occurring
16 in September 2000, that was included in the Governor's
17 proclamation of a state of emergency for the County of Napa.

18 (22) Any loss sustained as a result of the Middle River levee
19 break in San Joaquin County occurring in June 2004.

20 (23) Any losses sustained as a result of the fires that occurred
21 in the Counties of Los Angeles, Riverside, San Bernardino, San
22 Diego, and Ventura in October and November 2003, or as a result
23 of floods, mudflows, and debris flows, directly related to fires.

24 (24) Any losses sustained in the Counties of Santa Barbara and
25 San Luis Obispo as a result of the San Simeon earthquake,
26 aftershocks, and any other related casualties.

27 (25) Any losses sustained as a result of the wildfires that
28 occurred in Shasta County, commencing August 11, 2004, and
29 any other related casualty.

30 (26) Any loss sustained in the Counties of Kern, Los Angeles,
31 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
32 and Ventura as a result of the severe rainstorms, related flooding
33 and slides, and any other related casualties, that occurred in
34 December 2004, January 2005, February 2005, March 2005, or
35 June 2005.

36 (27) Any loss sustained in the Counties of Alameda, Alpine,
37 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
38 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
39 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
40 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,

1 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
2 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
3 the severe rainstorms, related flooding and slides, and any other
4 related casualties, that occurred in December 2005, January 2006,
5 March 2006, or April 2006.

6 (28) Any loss sustained in the County of San Bernardino as a
7 result of the wildfires that occurred in July 2006.

8 (29) Any loss sustained in the Counties of Riverside and Ventura
9 as a result of wildfires that occurred during the 2006 calendar year.

10 (30) Any loss sustained in the Counties of El Dorado, Fresno,
11 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San
12 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa
13 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject
14 of the Governor's proclamations of a state of emergency for the
15 severe freezing conditions that occurred in January 2007.

16 (31) Any loss sustained in the County of El Dorado as a result
17 of wildfires that occurred in June 2007.

18 (32) Any loss sustained in the Counties of Santa Barbara and
19 Ventura as a result of the Zaca Fire that occurred during the 2007
20 calendar year.

21 (33) Any loss sustained in the County of Inyo as a result of
22 wildfires that commenced in July 2007.

23 (34) Any loss sustained in the Counties of Los Angeles, Orange,
24 Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura
25 as a result of wildfires that occurred during the 2007 calendar year
26 that were the subject of the Governor's disaster proclamations of
27 September 15, 2007, and October 21, 2007.

28 (35) Any loss sustained in the County of Riverside as a result
29 of extremely strong and damaging winds that occurred in October
30 2007.

31 (36) Any loss sustained in the Counties of Butte, Kern,
32 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
33 Shasta, and Trinity as a result of wildfires that occurred in May or
34 June 2008 that were the subject of the Governor's proclamations
35 of a state of emergency.

36 (37) Any loss sustained in the County of Santa Barbara as a
37 result of wildfires that occurred in July 2008.

38 (38) Any loss sustained in the County of Inyo as a result of the
39 severe rainstorms, related flooding and landslides, and any other
40 related casualties, that occurred in July 2008.

1 (39) *Any loss sustained in the County of Humboldt as a result*
2 *of wildfires that commenced in May 2008.*

3 (b) (1) In the case of any loss allowed under Section 165 of the
4 Internal Revenue Code, relating to losses, any excess disaster loss
5 shall be carried forward to each of the five taxable years following
6 the taxable year for which the loss is claimed. However, if there
7 is any excess disaster loss remaining after the five-year period,
8 then the applicable percentage, as set forth in paragraph (1) of
9 subdivision (b) of Section 24416, of that excess disaster loss shall
10 be carried forward to each of the next 10 taxable years.

11 (2) The entire amount of any excess disaster loss as defined in
12 subdivision (c) shall be carried to the earliest of the taxable years
13 to which, by reason of subdivision (b), the loss may be carried.
14 The portion of the loss which shall be carried to each of the other
15 taxable years shall be the excess, if any, of the amount of excess
16 disaster loss over the sum of the net income for each of the prior
17 taxable years to which that excess disaster loss is carried.

18 (c) “Excess disaster loss” means a disaster loss computed
19 pursuant to Section 165 of the Internal Revenue Code, which
20 exceeds the net income of the year of loss or, if the election under
21 Section 165(i) of the Internal Revenue Code is made, the net
22 income of the year preceding the loss.

23 (d) The provisions of this section and Section 165(i) of the
24 Internal Revenue Code shall be applicable to any of the losses
25 listed in subdivision (a) sustained in any county or city in this state
26 which was proclaimed by the Governor to be in a state of disaster.

27 (e) Any corporation subject to the provisions of Section 25101
28 or 25101.15 that has disaster losses pursuant to this section, shall
29 determine the excess disaster loss to be carried to other taxable
30 years under the principles specified in Section 25108 relating to
31 net operating losses.

32 (f) Losses allowable under this section may not be taken into
33 account in computing a net operating loss deduction under Section
34 172 of the Internal Revenue Code.

35 (g) For losses described in paragraphs (15) to ~~(38)~~ (39),
36 inclusive, of subdivision (a), the election under Section 165(i) of
37 the Internal Revenue Code may be made on a return or amended
38 return filed on or before the due date of the return (determined
39 with regard to extension) for the taxable year in which the disaster
40 occurred.

1 ~~SEC. 21.~~

2 ~~SEC. 24.~~ It is the intent of the Legislature to provide in the
3 annual Budget Act those additional reimbursements to local
4 governments that, as a result of Section ~~18 21~~ of this act, are
5 required by Section 25 of Article XIII of the California
6 Constitution.

7 ~~SEC. 22.~~

8 ~~SEC. 25.~~ The Legislature finds and declares that this act fulfills
9 a statewide public purpose because of all of the following:

10 (a) The Governor of California has officially issued
11 proclamations of a state of emergency declaring that the wildfires
12 that occurred within the County of El Dorado, commencing in
13 June 2007, within the Counties of Inyo, Los Angeles, Orange,
14 Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura
15 during the 2007 calendar year, the extremely strong and damaging
16 winds that occurred in the County of Riverside in October 2007,
17 the wildfires that occurred within the Counties of Butte, Kern,
18 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
19 Shasta, and Trinity in May or June 2008, *the wildfires that occurred*
20 *within the County of Humboldt, commencing in May 2008*, the
21 wildfires that occurred within the County of Santa Barbara in July
22 2008, and the severe rainstorms, flash floods, landslides, the
23 accumulation of debris, and washed-out and damaged roads that
24 occurred within the County of Inyo in July 2008, constitute
25 conditions of extreme peril to public health and safety to persons
26 and property within those counties, thus qualifying affected persons
27 for various forms of governmental assistance and relief.

28 (b) This act is consistent with, and supplements, the proclaimed
29 disaster assistance and relief by providing necessary fiscal
30 assistance and tax relief to affected jurisdictions and persons to
31 allow them to maintain essential basic services and repair damage
32 to, and restore, their homes and businesses.

33 ~~SEC. 23.~~

34 ~~SEC. 26.~~ If the Commission on State Mandates determines that
35 this act contains costs mandated by the state, reimbursement to
36 local agencies and school districts for those costs shall be made
37 pursuant to Part 7 (commencing with Section 17500) of Division
38 4 of Title 2 of the Government Code.

1 ~~SEC. 24.~~

2 SEC. 27. This act is an urgency statute necessary for the
3 immediate preservation of the public peace, health, or safety within
4 the meaning of Article IV of the Constitution and shall go into
5 immediate effect. The facts constituting the necessity are:

6 In order to timely provide essential relief to those persons and
7 jurisdictions who have suffered damage or loss as a result of the
8 wildfires that occurred within the County of El Dorado,
9 commencing in June 2007, within the Counties of Inyo, Los
10 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa
11 Barbara, and Ventura during the 2007 calendar year, as a result of
12 the extremely strong and damaging winds that occurred in the
13 County of Riverside in October 2007, as a result of the wildfires
14 that occurred within the Counties of Butte, Kern, Mariposa,
15 Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz, Shasta,
16 and Trinity in May or June 2008, that were the subject of the
17 Governor's proclamation of a state of emergency, *as the result of*
18 *the wildfires that occurred within the County of Humboldt,*
19 *commencing in May 2008,* as the result of the wildfires that
20 occurred within the County of Santa Barbara in July 2008, or as
21 the result of the severe rainstorms that occurred within the County
22 of Inyo in July 2008, it is necessary that this act take effect
23 immediately.